Instituto Dara

Financial statements as of December 31, 2021, and 2020

KPDS 1062165

Table of Contents

KPMG Assurance Services Ltda.
Rua do Passeio, 38 - Sector 2 - 17th floor - Centro (Downtown)
Rio de Janeiro/RJ – Brazil
PO Box No. 2888 - Zip Code (CEP) 20001-970 - Rio de Janeiro/RJ - Brazil
Telephone +55 (21) 2207-9400
kpmg.com.br

Independent auditors' report on individual and consolidated financial statements

To the Management of

Instituto Dara

Rio de Janeiro - State of Rio de Janeiro

Opinion

We have audited the individual and consolidated financial statements of Instituto Dara ("Association"), identified as parent and consolidated, respectively, which comprise the statement of financial position as of December 31, 2021, and respective statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the fiscal year then ended, as well as the corresponding notes, with the relevant accounting policies and other information.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Instituto Dara as of December 31, 2021, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, pursuant to accounting policies adopted in Brazil.

Basis for opinion

Our audit was conducted according to Brazilian and international auditing standards. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Association, according to the relevant ethical principles provided in the Accountant Professional Code of Ethics and in professional regulations issued by the Federal Accounting Council, and we have complied with all ethical responsibilities in accordance with such regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Assurance Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Assurance Services Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Management's responsibility for the individual and consolidated financial statements

Management is responsible for the preparation and proper presentation of the individual and consolidated financial statements according to accounting policies adopted in Brazil and for the internal controls it has determined as necessary to enable preparation of such financial statements free of any material misstatement, irrespective of whether caused by fraud or by error.

In preparing the individual and consolidated financial statements, management is responsible for assessing Association's ability to continue as a going concern, disclosing, when applicable, matters related to its going concern and using such basis of accounting in preparing financial statements, unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free of any material misstatement, irrespective of whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee, that the audit work performed according to Brazilian and international audit standards will always detect occasional material misstatements. Misstatements may occur due to fraud or error and are considered material when they can influence, individually or jointly, the economic decisions of stakeholders, taken based on such financial statements, within a reasonable perspective.

As part of the audit work performed according to Brazilian and international audit standards, we have applied our professional judgment and maintained a skeptical approach during the audit work. Furthermore:

- We have identified and evaluated the risks of material misstatement in the individual and consolidated financial statements, irrespective of whether caused by fraud or error, planned and executed audit procedures in response to such risks, as well as obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material misstatements resulting from fraud is higher than for those resulting from error, as fraud may include the action of deceiving internal controls, collusion, forgery, omissions, or intentional misrepresentations.

- We have been provided with an understanding of internal controls relevant for the audit, in order to plan audit procedures appropriate to the circumstances, but not with the objective of expressing an opinion on the effectiveness of the Association's internal controls and those of its subsidiaries.

- We have evaluated the accounting policies used and the reasonability of the accounting estimates and respective information disclosed by the management.

- We have drawn conclusions on the adequacy of use, by management, of the accounting basis of the Association's going concern and, based on audit evidence obtained, whether there is material uncertainty regarding events or conditions that may give rise to a significant doubt as to the Association and its subsidiaries' going concern. If we conclude that there is relevant uncertainty, we must draw attention in our audit report to the respective disclosures in individual and consolidated financial statements or include a modification in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Association and its subsidiaries to cease to continue as a going concern.

- We have evaluated the general presentation, the structure and content of the financial statements, including disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and the events in a way compatible with the objective of appropriate presentation.

- We have obtained appropriate and sufficient audit evidence related to the entities' financial information or the group's business activities in order to ground our opinion on the individual and consolidated financial statements. We are responsible for the coordination, supervision and performance of the group's auditing and, consequently, for the auditors' opinion.

We communicated to management, among other issues, the intended scope of the audit work, the time of audit, and the significant conclusions, including any significant deficiencies in internal controls that we have identified during our work.

KPMG Assurance Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Assurance Services Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Rio de Janeiro, July 14, 2022

KPMG Assurance Services Ltda.
CRC (Regional Accounting Council) No. SP-023228/O-4 F-RJ

Luis Claudio de Oliveira Guerreiro
Accountant CRC-RJ 093679/O-1

KPMG Assurance Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Assurance Services Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Instituto Dara

Statements of financial position for the years ended as of December 31, 2020 and 2019 of 2021 and 2020

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	**2021**	**2020**	**2021**	**2020**
Assets					
Current assets					
Cash and Cash Equivalents	3	3,703	2,898	3,705	2,904
Securities	4	14,457	11,459	14,456	11,464
Prepayments		47	16	47	16
Recoverable taxes		84	6	84	6
Prepaid expenses		11	1	11	1
Total current assets		18,302	14,380	18,303	14,391
Non-current assets					
Legal deposits		972	564	972	564
Securities	4	1,110	4,111	1,110	4,111
Property, plant and equipment	5	6,849	6,800	6,849	6,800
Intangible assets	6	2	6	2	6
Total non-current assets		8,933	11,481	8,933	11,481
Total assets		27,235	25,861	27,236	25,872
Liabilities and equity					
Current liabilities					
Suppliers		141	77	142	88
Social and labor Charges	7	860	349	860	349
Tax liabilities	8	283	356	283	356
Labor Provisions		190	114	190	114
Obligations with incentivized projects	9	47	101	47	101
Total current liabilities		1,521	997	1,522	1,008
Equity	11				
Equity		24,864	21,906	24,864	21,906
Accumulated surplus		850	2,958	850	2,958
Total equity		25,714	24,864	25,714	24,864
Total liabilities and equity		27,235	25,861	27,236	25,872

The notes are an integral part of the financial statements.

Instituto Dara

Statements of profit or loss

Years ended December 31, 2021 and 2020

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	**2021**	**2020**	**2021**	**2020**
Operating income	12				
Assistance income		6,158	7,819	6,158	7,819
Sales of Goods		-	88	-	88
Other revenues		368	206	368	206
		6,526	8,113	6,526	8,113
Costs					
Assistance costs	13	(4,332)	(4,234)	(4,332)	(4,234)
Transformation costs	13	-	(306)	-	(306)
Costs of sales		-	(72)	-	(72)
		(4,332)	(4,612)	(4,332)	(4,612)
Gross surplus		2,194	3,501	2,194	3,501
General and administrative expenses	14	(979)	(1,298)	(979)	(1,298)
Services provided	14	(489)	(423)	(489)	(423)
Operating surplus		726	1,780	726	1,780
Financial revenues	15	979	2,599	979	2,683
Financial expenses	15	(855)	(1,421)	(855)	(1,505)
Surplus of the year		850	2,958	850	2,958

The notes are an integral part of the financial statements.

Instituto Dara

Statements of comprehensive income

Years ended December 31, 2021 and 2020

(In thousands of Brazilian Reais)

	Parent and consolidated	
	2021	**2020**
Surplus of the year	850	2,958
Total comprehensive income for the year	850	2,958

The notes are an integral part of the financial statements.

Instituto Dara

Statements of changes in equity

Years ended December 31, 2021 and 2020

(In thousands of Brazilian Reais)

	Note	Equity	Accumulated surplus	Total
Balance as of December 31, 2019		20,329	1,577	21,906
Incorporation of the accumulated surplus		1,577	(1,577)	-
Surplus of the year	11	-	2,958	2,958
Balance as of December 31, 2020		21,906	2,958	24,864
Incorporation of the accumulated surplus	11	2,958	(2,958)	-
Surplus of the year	11	-	850	850
Balance as of December 31, 2021		24,864	850	25,714

The notes are an integral part of the financial statements.

Instituto Dara

Statements of cash flows

Years ended December 31, 2021 and 2020

(In thousands of Brazilian Reais)

	Parent		Consolidated	
	2021	**2020**	**2021**	**2020**
Cash flow from operating activities				
Surplus of the year	850	2,958	850	2,958
Provisions	587	-	587	-
Net financial profit or loss	(125)	(1,178)	(125)	(1,178)
Depreciation and amortization	229	399	229	399
(Increase) reduction of assets and increase (decrease) of liabilities				
Inventories	-	66	-	66
Trade receivables	-	59	-	59
Prepayments	(31)	6	(31)	6
Prepaid expenses	(9)	(2)	(9)	(2)
Recoverable taxes	(78)	-	(78)	-
Legal deposits	(409)	(365)	(409)	(365)
Suppliers	64	(7)	54	(4)
Tax liabilities	(73)	339	(73)	339
Provision for labor obligations and social charges	-	(197)	-	(197)
Obligations with incentivized projects	(54)	101	(54)	101
Net cash generated from operating activities	951	2,179	941	2,182
Cash flows from investment activities				
Redemption from securities	-	665	-	665
Acquisition of property, plant, and equipment and intangible assets	(274)	(32)	(274)	(32)
Earnings from financial investments	128	-	134	-
Net cash generated (used in) investment activities	(146)	633	(140)	633
Cash flows from financing activities				
Earnings from financial investments	-	(9)	-	(9)
Cash (used) in financing activities	-	(9)	-	(9)
Increase in cash and cash equivalents	805	2,803	801	2,806
Cash and cash equivalents at the beginning of the year	2,898	95	2,904	98
Cash and cash equivalents at the end of year	3,703	2,898	3,705	2,904

The notes are an integral part of the financial statements.

Notes to the financial statements

(In thousands of Brazilian Reais)

1 General information

Instituto Dara ("Association") is a civil society of a philanthropic nature, established and domiciled in Brazil, with registered office in Rio de Janeiro, state of Rio de Janeiro organized on October 25, 1991, to perform social assistance and human promotion activities, offer support to needy children at Hospital da Lagoa, Hospital Maternidade Maria Amélia Buarque de Hollanda, Hemorio, as well as to families, during the period of hospitalization and, mainly, after hospital discharge. This support takes place when the families' socioeconomic need is identified, which are forwarded to the Association by means of a letter of introduction from the multidisciplinary screening committee at the Hospital da Lagoa.

The Association is maintained through spontaneous donations and other donations made by its members, which can be in cash, items such as food, medicine and clothing, and the service provision, among others. To better serve families, the Association implemented several social projects, such as Aconchego, Semente, Conectados, ManaMano and Cuidados Integrais com Mães e Filhos na Primeira Infância.

To achieve its objectives, Instituto Dara is organized under the following areas:

- Social Assistance - donation of food, medicines, medical devices, among others, in addition to free monitoring for families through psychologists, psychiatrists, nutritionists and social workers and referrals to health units.

- Citizenship - Assistance in obtaining documents and social and legal guidance, to guarantee the family access to basic citizenship rights.

- Housing - Ensure that the family's house has the minimum housing conditions, such as running water, treated sewage, walls and ceiling without infiltrations, that is, providing a healthy environment in which the child can recover and maintain their health.

- Education - Family awareness of the education importance for the future of children and parents, with monitoring of the child's school life and support in areas where a need is detected.

- Income Generation - Vocational courses according to the interests and skills of those responsible for the family to generate the family's self-support and independence.

Immunity/Tax Exemption

Instituto Dara is exempt from the income tax and social security contribution collection, in accordance with Law No. 9,532/97, which establishes in its article 12, that the Association must gather the following, cumulatively, to be entitled to this exemption:

(a) Not to remunerate, in any way, its directors for the services provided, except in the case of non-profit associations, foundations or civil society organizations, whose directors may be remunerated, provided that they act effectively in executive management and provided that the established requirements are met under articles. 3 and 16 of Law No. 9,790, of March 23, 1999, subject to as maximum limits the values practiced by the market in the region corresponding to its area of business, and its value must be established by the entity's highest decision-making body, recorded in the minutes, with communication to the Public Ministry, in the case of foundations; (Wording given by Law No. 13.204 of 2015)

(b) Fully apply its resources to the maintenance and development of its social objectives.

(c) Maintain the complete records of your income and expenses in books covered with formalities that ensure their accuracy.

(d) Maintain in good order, for a period of five years, as from the issuance date, the documents that prove the origin of its income and the realization of its expenses, as well as the performance of any other acts or transactions that may change its equity situation.

(e) Submit an annual statement of profit or loss.

COVID-19

On January 30, 2020, the World Health Organization (WHO) declared COVID-19 as a global health emergency, as the virus spread unexpectedly quickly and surpassed the borders of Asian countries, already in February the Ministry of Health confirmed the first case in Brazil, leading to the adoption of the state of Public Calamity recognized by the Legislative Decree No. 6 of 2020, causing impacts on all economic activities.

Since the beginning of the pandemic, we have developed a new way of working, but without renouncing the integrality of our actions.

We rationalized the flow of people at our registered office, adopting collective efforts to distribute supplies in sufficient quantity for three months, reducing the risk of transmission of the disease to families, employees and volunteers.

In 2021, the administrative sector adopted a rotation system to access the registered office when necessary, returning to the on-site system in September, along with the return of customer service.

And, right after that, we implement the following protocols:

- Protocol for Assistance to Families - social, nutritional, psychological, educational and legal assistance began to take place through video call, cell phone and messaging applications.

We add a cleaning voucher and prevention guidelines to the items normally distributed.

- Operation Protocol to ensure the employees' and volunteers' health- we adapted the activities and determined the remote work in the areas of fundraising, communication, knowledge and finance.

- Financial Liquidity Protocol - we postponed the second phase of the construction of the center of excellence, closed the activities of the products area (Anzol) that had a deficit in the last three years and executed the deferral of taxes in compliance with government regulations, all actions to protect cash and focus on the main activity.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are defined below. These policies have been applied consistently in the years presented, unless otherwise indicated.

2.1 Basis of preparation and presentation

The Association's individual and consolidated financial statements for the year ended December 31, 2021 were prepared and are presented in accordance with accounting policies adopted in Brazil, which include the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee - CPC and in the provisions applicable to non-profit entities, issued by the Federal Accounting Council (CFC), in particular ITG 2002 (R1) - Non-profit entities, of September 21, 2012.

The preparation of individual and consolidated financial statements in accordance with the aforementioned standards requires the use of certain accounting estimates and also the exercise of judgment by the Management of Instituto Dara in the process of applying accounting policies, although there are no areas or situations of greater complexity that require a higher level of judgment or significant estimates for the financial statements.

The individual and consolidated financial statements of Instituto Dara for the year ended December 31, 2021 were authorized for issue by the Executive Board on July 14, 2022.

2.2 Consolidation

The Association has an exclusive fund and, therefore, presented consolidated financial statements, which include the consolidation of this fund. The Association has no subsidiaries.

2.3 Functional and presentation currency

These financial statements are presented in thousands of Brazilian reais, which is the Association’s functional currency and, also, its currency of presentation.

2.4 Cash and cash equivalents

They comprise cash and bank deposits, stated at cost, and short-term, highly liquid investments with low exposure to risk of changes in value, stated at cost plus income earned up to the reporting date, with a consideration to the year' profit or loss.

2.5 Financial assets

2.5.1 Classification

Instituto Dara classifies its financial assets, on initial recognition, under the following categories: measured at fair value through profit or loss.

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and are represented by cash and cash equivalents and securities.

2.5.2 Recognition and measurement

Purchases and sales of financial assets are normally recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred; in the latter case, provided that the Association has significantly transferred all ownership's risks and rewards. Financial assets measured at fair value through profit or loss are subsequently accounted for at fair value.

Gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are presented in the statement of profit or loss under "Financial Revenues, net" in the period in which they occur.

Dividends from financial assets measured at fair value through profit or loss are recognized in the statement of profit or loss as part of "Financial revenues, net", when the Association's right to receive dividends is established.

The fair values of publicly quoted investments are based on current purchase prices. If the market for a financial asset (and securities not listed on the Stock Exchange) is not active, the Association establishes fair value through valuation techniques. These techniques include the use of recent transactions contracted with third parties, reference to other instruments that are substantially similar, analysis of discounted cash flows and option pricing models that make the greatest possible use of market-generated information and rely as little as possible on information generated by the Association's Management.

2.5.3 Impairment of financial assets

a. Assets measured at amortized cost

The Association assesses, at the date of each statement of financial position, whether there is objective evidence that a financial asset or group of financial assets is impaired. An asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets ("loss event") and that event (or events) of loss has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The amount of impairment loss is measured as the difference between carrying amount of the assets and the present value of estimated future cash flows (excluding future credit losses that were not incurred) discounted at the original interest rate of financial assets. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss of the Association.

2.5.4 Derivative financial instruments

There were no transactions of derivative financial instruments during the years 2021 and 2020.

2.6 Property, plant and equipment

Property, plant, and equipment items are presented to the historical cost of acquisition less the amount of depreciation and any accumulated non-recoverable loss. The historical cost includes expenses directly attributable that are necessary to prepare the asset for the intended use by management.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets.

2.7 Intangible assets

Software

Software licenses are capitalized based on costs incurred in acquiring the software plus the costs of making it ready for use, with the same criteria applied to software customized for the Association. These costs are amortized during the estimated useful life of software. The costs associated to maintenance of software are recognized as expense as incurred.

2.8 Provisions for the current and non-current liabilities

A provision is recognized in the statement of financial position when the Association has a legal or constituted obligation as a result of a past event, and for which it is probable that economic resources will be required to perform the obligation. Provisions are recorded based on the best estimates of risk involved.

Current and non-current liabilities are stated at known or estimated amounts plus, when applicable, the corresponding charges and monetary variations incurred through the reporting date.

2.9 Obligations with incentivized projects

Contributions to the Association's projects made by the sponsors (agreements) are recorded in the liability accounts and deducted by the expenses incurred for each project at the end of each month, with the corresponding entry in the income account of sponsored projects. This policy is applied since the Association's Management has a contractual obligation to comply with rules in the use of donations as well as the obligation to render accounts, which are analyzed and submitted for approval by the sponsors.

In this way, the expenses and costs incurred in the projects of the sponsors, managed by the Association, are recognized in the same proportion of the revenues so that, at the end of the year, such revenues and expenses do not impact the Association's profit or loss of the year.

2.10 Calculation of surplus for the year and recognition of donation revenues

The surplus for the year is assessed following the accounting system of accrual by fiscal year.

Revenues from donations and voluntary contributions from third parties originate from donations from individuals and legal entities and are recorded when received due to the impossibility of the amounts and dates accuracy of receipt and applied in the educational projects that the Association develops.

The Association recognizes the revenue when: (i) the amount of revenue can be reliably measured; (ii) it is probable that future economic benefits will flow to the Association and (iii) specific criteria have been met for each of the Association's activities as described below.

a. Bounded donations and agreements

Donations received bounded to projects are recorded, upon receipt, in (Deferred Income) liabilities being appropriated to the result on a monthly and linear basis as the resources are applied according to the rules stipulated by the donor/sponsor.

b. Revenue from the sale of goods

Revenues from the sales of goods are recognized when ownership and risks are transferred to a third party at the gross value of the products less unconditional discounts and returns. The line item originates from the Anzol project, a project that was created as a support to the Aconchego project, to empower families trained in the sewing business.

c. Financial revenue

Financial revenues basically cover interest revenues on financial investments. Financial revenue is recognized using the effective interest rate method.

d. Gratuities

The Interpretation - ITG 2002 (R1) of the Federal Accounting Council (CFC) determines the measurement and accounting recognition of benefits granted as gratuities such as: volunteer labor.

(i) The amount for the volunteer labor is measured by the Association's Management based on values available in the market and practiced by the Association in similar services. The amount calculated in 2021 was BRL 358 (BRL 588 in 2020).

None of the amounts above had the corresponding cash disbursement, having been recognized, in 2021, as income and expense/cost in the statement of surplus, in equivalent amounts, with no effect on the surplus for the year

2.11 Taxes and contributions

The Association is exempt from paying Income Tax, COFINS (Social Contribution on Billings) and PIS (Social Integration Program)

We list below the taxes and contributions and the respective rates, for which the Association is exempt:

- ISS (Tax on Services) (2% on the amount of unrestricted-service Revenues);
- PIS/COFINS (3.65% levied on unrestricted-operating revenues; and
- IRPJ (Corporate Income Tax) and CSLL (34% levied on the profit or loss for the year).

2.12 Statement of cash flow

The statement of cash flows was prepared in accordance with the indirect method.

2.13 New standards and interpretations not yet in effect

A series of new standards will be effective for the years beginning as of January 1, 2022. The Company did not adopt such changes in preparing these financial statements.

(i) Onerous Contracts - cost of fulfilling a contract (amendments to CPC 25);

(ii) Deferred tax related to assets and liabilities arising from a single transaction (amendments to CPC 32).

(iii) Other standards;

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- Lease concessions related to COVID-19 after June 30, 2021 (amendment to CPC 06).
- Property, plant, and equipment: Proceeds before intended use (amendments to CPC 27).
- Reference to Conceptual Framework (amendments to CPC 15).
- Classification of Liabilities as Current or Non-Current (Amendments to CPC 26).
- Disclosure of accounting policies (amendments to CPC 26);
- Definition of Accounting Estimates (Amendments to CPC 23).

3 Cash and cash equivalents

	Parent		Consolidated	
	2021	**2020**	**2021**	**2020**
Cash	4	29	4	35
Banks	140	165	142	165
Financial Investments	3,559	2,704	3,559	2,704

	3,703	2,898	3,705	2,904

The short-term financial investments of high liquidity are promptly convertible into a known amount of cash and are subject to insignificant risk of change in value. The Association has financial investments in fixed income investment funds that remunerate based on the Selic and Bank Deposit Certificates (CDBs) at 100% of DI.

4 Securities

	Parent	
	2021	**2020**
Saúde Criança FIM		
Fund Equity	15,567	15,570
	15,567	**15,570**
Short-term	14,457	11,459
Long-Term	1,110	4,111

	Consolidated	
	2021	**2020**
Saúde Criança FIM		
Repurchase transactions	-	430
Units of ownership of investment funds	14,456	11,034
Sovereign debt securities	1,110	4,111
	15,566	**15,575**
Short-term	14,456	11,464
Long-Term	1,110	4,111

Saúde Criança Fundo de Investimento Multimercado (FIM) is an Association's exclusive investment and is part of the project "Renascer para Sempre", to strengthen the sustainability of the Association's assets, , through a long-term policy, ensuring a minimum financial stability necessary for a good institutional performance without depending on the variation of donations. The fund's portfolio has products with different redemption terms, and liquidity is subject to the cash availability.

	2021		**2020**	
Liquidity Term	**Amount**	**%**	**Amount**	**%**
Immediate	14,456	92.87	1,369	8.79
From 1 to 30 days	-	-	6,913	44.39
From 31 to 60 days	-	-	3,182	20.43
Above 90 days	1,110	7.13	4,111	26.39
	15,566	100.00	15,575	100.00

5 Property, plant and equipment

		Parent and Consolidated		
		2021		
	Annual depreciation rate	**Cost**	**Accumulated depreciation**	**Net**
Buildings (*)	2.52%	8,344	(1,916)	6,428
Facilities	10%	226	(169)	57
Machinery and equipment	10%	98	(78)	20
Fixtures and fittings	10%	70	(66)	4
Vehicles	20%	44	(20)	24
Computer equipment	20%	265	(223)	42
Communication equipment	20%	15	(15)	-
Property, plant and equipment in progress	-	274	-	274
		9,336	(2,486)	6,849

Activities

		Parent and Consolidated			
	Annual depreciation rate	**2020**	**Acquisitions**	**Depreciations**	**2021**
Buildings (*)	2.52%	6,596	-	(168)	6,428
Facilities	10%	79	-	(22)	57
Machinery and equipment	10%	23	-	(3)	20
Fixtures and fittings	10%	6	-	(2)	4
Vehicles	20%	32	-	(8)	24
Computer equipment	20%	62	-	(20)	42
Communication equipment	20%	2	-	(2)	-
Property, plant and equipment in progress	-	-	274	-	274
		6,800	274	(225)	6,849

(*) In 2021, Management reassessed the useful life according to CPC 27 (Property, Plant and Equipment), ICPC 10, resulting in a change in the annual depreciation rate from 4% to 2.52%, using the straight-line method.

		Parent and Consolidated		
		2020		
	Annual depreciation rate	Cost	Accumulated depreciation	Net
Buildings	4%	8,344	(1,748)	6,596
Facilities	10%	226	(147)	79
:achinery and equipment	10%	98	(75)	23
xtures and fittings	10%	70	(64)	6
Vehicles	20%	44	(12)	32
Computer equipment	20%	265	(203)	62
Communication equipment	20%	15	(13)	2
		9,062	(2,262)	6,800

Activities

	Parent and Consolidated				
	Annual depreciation rate	2019	Acquisitions	Depreciation	2020
Buildings	4%	6,931	-	(335)	6,596
Facilities	10%	102	-	(23)	79
:achinery and equipment	10%	8	20	(5)	23
xtures and fittings	10%	-	6	-	6
Vehicles	20%	40	-	(8)	32
Computer equipment	20%	85	-	(23)	62
Communication equipment	20%	4	-	(2)	2
		7,170	26	(396)	6,800

6 Intangible assets

	Parent and Consolidated			
	2020 Closing balance	Additions	Amortization	2021 Closing balance
Cost activity				
Software right of use	468	-	-	468
Amortization activity	-	-	-	-
Software right of use	(462)	-	(4)	(466)
Net balance	6	-	(4)	2

	Parent and Consolidated			
	2019	**2020**		
	Closing balance	**Additions**	**Amortization**	**Closing balance**
Cost activity				
Software right of use	462	6	-	468
Amortization activity				
Software right of use	(459)	-	(3)	(462)
Net balance	3	6	(3)	6

7 Social and labor charges

Social and labor charges are liabilities levied on payroll, which must be collected and settled upon maturity.

	2021	**2020**
INSS (National Institute of Social Security)	847	337
FGTS (Guarantee Fund for Length of Service)	13	12
	860	349

8 Tax obligations

This grouping includes taxes payable referring to third-party services, such as income tax, social contributions and tax on service.

	Parent and Consolidated	
	2021	**2020**
Income tax	20	18
Social contribution	259	337
Tax on service	4	1
	283	356

9 Obligations with incentivized projects

These obligations are represented by the financial resources (partial or total) already received in connection with projects to be executed. Liabilities are written off on a monthly basis, with the corresponding entry in the project revenue account in proportion to the funds received in the execution of the projects. The breakdown per project is as follows:

	Parent and Consolidated	
	2021	**2020**
Air France (i)	-	38
ManaMano (ii)	-	9
Criança Esperança (iii)	47	54
	47	101

(i) Air France Sponsor
"Conectados (teenagers)" Project. During 2021 there was no funding (2020 - BRL 42), and realization of BRL 38 (2020 - BRL 4), resulting in a zero balance on December 31, 2021 (2020 - BRL 38).

(ii) Several Sponsors
"ManaMano (entrepreneurship)" Project. During 2021, there was funding of BRL 78 (2020 - BRL 22), and realization of BRL 87 (2020 - BRL 13), resulting in a zero balance (2020 - BRL 9) on December 31, 2021.

(iii) Criança Esperança Sponsor
"Cuidados Integrais com Mães e Filhos na Primeira Infância" Project. During 2021, there was funding of BRL 215 (2020 - BRL 54), and realization of BRL 222, with a balance of BRL 47 (2020 - BRL 54) on December 31, 2021.

(iv) DKT Sponsor
"Aconchego (Social Assistance)" Project, during 2021, there was a funding of BRL 22 (2020 - BRL 33), and realization of BRL 22 (2020 - BRL 33), resulting in a zero balance on December 31, 2021 (2020 - zero balance).

10 Contingencies

The Association filed a lawsuit No. 0215732-72.2017.4.02.5101 in the 10th Federal Court of the Judicial Subdistrict of Rio de Janeiro to obtain recognition of the tax immunity's right provided for in article 150, VI, "c" of the CF/88, in the face of the Federal Government, once the requirements of a complementary law are complied, in this case, the article 14 of the CTN (National Tax Code), which will allow the Entity to enjoy the exemption of the INSS employer account, which was terminated due the renewal process rejection of the Certificate of Charitable Entities of Social Assistance - MDS (CEBAS), with effect as of the publication in the DOU (Official Federal Gazette) of Opinion 047479/2017 in the Ordinance No. 185/2017 on November 6, 2017. As of July 2019, the Association, based on its legal advisors' directions, made a judicial deposit of the portion which would have immunity and awaits a court decision on the lawsuit. In 2021, the Federal Government expressed itself in favor to proceed with the lawsuit and the expert in charge awaits submission of the full lawsuit to start the work.

Based on the opinion of its legal advisors, the Association's Management concluded that there are no disputes or claims against the Association as of December 31, 2021, as well as any other facts that require the provisions' recognition.

11 Equity

It represents the initial equity from the initial appropriation of its founders, plus the surpluses (deficits) calculated as of its organization.

The surplus/deficit for the year is included into the equity during the following year, after approval by the Supervisory Board in accordance with its articles of incorporation at the Annual General Meeting (AGM) of 03/29/2021 (BRL 2,958 - 2020) and AGM of 05/26/2022 (BRL 850 - 2021).

The income from Instituto Dara is fully used for its social objectives mentioned in Note 1.

In the event of the Association's dissolution, which will only take place with the approval of two thirds of the members of the General Meeting, the assets will be destined to another non-profit association of a similar nature, registered with National Council of Social Service (CNAS), under approval of the Public Ministry.

12 Revenues

The Association develops assistance projects to serve the community. The costs and expenses related to these projects for 2021 and 2020, as well as the base revenue, are shown as follows:

	Parent and Consolidated	
	2021	**2020**
Revenue from donations		
Revenues from individual and corporate donations	5,949	6,800
Revenue from volunteer work	358	588
Sales of Goods	-	88
	6,307	7,476
Revenues from program and project donations		
ManaMano Fund	26	13
Air France	27	4
DKT	32	33
Criança Esperança	124	-
Instituto PHI	-	381
Total revenue from incentivized projects	209	431
Other revenues	10	206
Total operating revenues	6,526	8,113

13 Assistance costs

	Parent and Consolidated	
	2021	**2020**
Personnel cost - care team	1,317	1,276
Personnel charges - care team	301	243
Cost with public utilities and occupancy - care team	10	33
Medicine - families	278	393
Special milks - families	209	189
Food - families	606	553
Medical tools and supplies - families	64	68
Internet - families	23	3
Donation of work instruments - families	16	13
Course and education - families	34	10
Housing - maintenance, repairs and rentals - families	24	104
Transport - families	59	26
Donations to families	80	40
General costs - care team	289	414
Professional services - care team	42	14
Course material - families	4	1
Medical exams - families	11	7
Communication costs - care team	12	17
Assistance care costs/gratuities - service	3,379	3,404
Project transfers to similar entities	-	1
Personnel cost - replication	91	148
Personnel charges - replication	28	53
Replication general costs	166	123
Assistance care costs - replication (*)	286	325

	Parent and Consolidated	
	2021	**2020**
Institute costs	668	505
Assistance costs	4,332	4,234
Anzol costs	-	306
Transformation costs	-	306
Total	4,332	4,540

(*) Replication costs refer to expenses with advisory activities of programs developed by the association, in accordance with Resolution No. 27/2011, to reproduce, organize and disseminate to Entities with the same methodology and form of the Association's known vision.

The Association's Management understands that the resources allocated to the activities are pertinent and meet the Law No. 12,101/09 requirements. Approval of the calculations, as well as the assumptions used by the Association, is linked to the future rendering of accounts with the National Council of Social Service (CNAS).

14 General and administrative expenses and others.

	Parent		Consolidated	
	2021	**2020**	**2021**	**2020**
Personnel expenses	471	594	471	594
General and administrative expenses	504	660	504	660
Expenses from volunteer work	4	44	4	44
	979	1,298	979	1,298
Expenses with services provided	489	423	489	423
	1,468	1,721	1,468	1,721

15 Net financial income

	Parent		Consolidated	
	2021	**2020**	**2021**	**2020**
Financial Revenues				
Financial investments	152	29	152	29
Financial investments - IMF	42	59	42	59
Other financial revenues	785	2,511	785	2,595
	979	2,599	979	2,683
Financial expenses				
Bank expenses	(21)	(37)	(21)	(37)
Other expenses	(44)	(60)	(44)	(144)
IMF Investment Losses (*)	(790)	(1,324)	(790)	(1,324)
	(855)	(1,421)	(855)	(1,505)

	Parent		Consolidated	
	2021	**2020**	**2021**	**2020**
Financial Revenues				
	124	1,268	124	1,268

(*) Investment losses in 2020 from the devaluation of certain securities were due the need for liquidity for redemption, leading to trading in the secondary market of securities with future maturity at a rate lower than the contracts, as it coincided with the months affected by the COVID-19's global recession. Although the introduction of vaccines and the gradual return to normality reduced losses in 2021, the aforementioned effects in the previous period still affect the current year.

16 Insurance coverage

The Association adopts the policy of hire insurance coverage against fire and miscellaneous risks for property, plant and equipment at amounts considered sufficient to cover eventual losses, which were defined by the guidance of specialists, and considers the nature of its activity and the degree of risk involved.

The Association has insurance coverage as follows:

a. Property - Rua das Palmeiras, 65, Rio de Janeiro, state of Rio de Janeiro

Coverages against: fire, explosions and smoke of any nature - BRL 2,000, robbery and/or qualified theft of goods and supplies - BRL 80, electrical damage - BRL 30, gale - BRL 30.

b. Property - Rua Jardim Botânico, 86, Rio de Janeiro - state of Rio de Janeiro

Coverages against: fire, lightning and explosions of any nature - BRL 605, electrical damage - BRL 20, gale - BRL 10.

c. Vehicles

Volkswagen Gol (2020/2019) – BRL 50, collision, robbery and fire

17 Other information

a. Registered office's property

On October 3, 2016, the Association changed its registered office to Rua das Palmeiras, 65, Botafogo, in the city of Rio de Janeiro, to its own building acquired on September 6, 2013, which was through a modernization process. This property is part of the historical cultural heritage of the city of Rio de Janeiro, and the Association is responsible for its conservation, according to specifications and guidelines that may be established by IPHAN (National Historic and Artistic Heritage Institute), and also subject to the rules of IBAMA (Brazilian Institute of Environment and Renewable Natural Resources). Therefore, all expenses related to the maintenance of the property are recorded in the profit or loss.

b. Certificate of Charitable Social Welfare Organization

The National Council of Social Service attested on August 16, 1995 that the Associação Saúde Criança Renascer is registered with that body in accordance with Resolution No. 83/95 of August 1995 of process, published in the DOU (Official Federal Gazette) of August 18, 1995, based in the lawsuit decision No. 28990.014753/1994-60.

On August 27, 2014, the National Council of Social Service, granted the Association the CEBAS (Certificate of Charitable Social Welfare Organization), valid from March 18, 2010 to March 17, 2015. The Association timely filed for renewal of this certification on March 13, 2015, being notified of the rejection of the administrative process on October 30, 2017, with effect as of the publication in the Official Federal Gazette. As described in Note 10, the Entity filed a lawsuit to obtain recognition of the right to tax immunity.

c. Sureties, guarantees and collaterals

The Association did not provide guarantees or participate in any transactions as an intervening guarantor during 2020 and 2021.

18 Financial instruments - Sensitivity Analysis

The Association shows exposure to the following risks deriving from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

The information below refer to the Association's exposure to each of the mentioned risks, its objectives, policies, and processes used to measure and manage risk, as well as its capital management. Additional quantitative information is included in these financial statements.

Risk management framework

The Management is responsible for the development and monitoring of Instituto Dara’s risk management policies.

The Association's risk management policies were established in order to identify and analyze the risks to which the Association is exposed, to define appropriate risk limits and controls, and to monitor the risks and compliance with the limits imposed. Risk policies and systems are reviewed regularly, to consider changes in market conditions and the Association's activities.

Management oversees and monitors adherence to the Association's risk policies and procedures and reviews the determined risk framework.

	2021		2021	
	Parent		Consolidated	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets measured at fair value through profit or loss				
Cash and cash equivalents	3,703	3,703	3,705	3,705
Securities	15,567	15,567	15,566	15,566
Liabilities measured at fair value through profit or loss				
Suppliers	141	141	142	142
Obligations with incentivized projects	47	47	47	47

	2020		2020	
	Parent		Consolidated	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets measured at fair value through profit or loss				
Cash and cash equivalents	2,898	2,898	2,904	2,904
Securities	15,570	15,570	15,575	15,575
Liabilities measured at fair value through profit or loss				
Suppliers	77	77	88	88
Obligations with incentivized projects	101	101	101	101

Hierarchical fair value

There are three types of levels for classifying the Fair Value for financial instruments, the hierarchy gives priority to unadjusted quoted prices in an active market for a financial asset or liability. The classification of Hierarchical Levels can be presented as shown below:

- **Level 1 -** Data from an active market (unadjusted quoted price) in such a way that it is possible to access daily, including the fair value measurement date.
- **Level 2 -** Data extracted from a pricing model based on observable inputs.
- **Level 3 -** Data extracted from a pricing model based on non-observable inputs.

As of December 31, 2021 and 2020, the classification by Hierarchical Level is at level 2. We emphasize that no financial instruments classified as Levels 1 and 3 were observed during the period under analysis and that there were no transfers of levels for this same period.

Credit risk

Credit risk is the risk of a financial loss for the Association if a counterparty in a financial instrument fails to perform its contractual obligations. Historically, the Association has not suffered significant losses arising from the failure to comply with financial obligations.

Liquidity risk

Liquidity risk is the risk of the Association facing difficulties to meet obligations associated with its financial liabilities that are settled with cash on demand or with another financial asset. The Instituto's approach to Management of liquidity is of assuring, to the maximum extent, that it always has sufficient liquidity to perform its obligations as they mature, under normal and stressful conditions, without causing losses that are unacceptable or increasing the risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, impact on the gains and losses of the Company. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Association has exposure to changes in post-fixed ratios that affect both financial revenues and financial expenses. The average of market expectations, according to data obtained from the Central Bank of Brazil (Focus Report), with a base date of April 29, 2022, indicated:

	Effective rate verified in 2021	**Effective rate estimated for 2022**
CDI rate	4.00%	13.25%
IGP-M Index (General Market Price Index)	8.98%	12.22%

The fair values of financial assets and liabilities were determined based on available market information and appropriate valuation methodologies. The use of different market assumptions and/or estimation methodology may have a different effect on estimated market values. Based on this estimate, the Management understands that the carrying amount of financial instruments is approximately equivalent to their market value.

Appraisal of the financial instruments

The Company's financial instruments are measured at amortized cost. The fair values of the Company's financial instruments are equivalent to their carrying amounts.